

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO,

Debtor.¹

PROMESA
Title III

No. 17 BK 3283-LTS
(Jointly Administered)

Re: ECF Nos. 10102, 10613

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO HIGHWAYS &
TRANSPORTATION AUTHORITY,

Debtor.

PROMESA
Title III

No. 17 BK 3567-LTS

Re: ECF Nos. 673, 679

**AAFAF’S LIMITED JOINDER TO THE OPPOSITION OF FINANCIAL OVERSIGHT
AND MANAGEMENT BOARD FOR PUERTO RICO TO MOTION OF ASSURED
GUARANTY CORP., ASSURED GUARANTY MUNICIPAL CORP., AMBAC
ASSURANCE CORPORATION, NATIONAL PUBLIC FINANCE GUARANTEE
CORPORATION, AND FINANCIAL GUARANTEE INSURANCE COMPANY FOR
RELIEF FROM THE AUTOMATIC STAY OR, IN THE ALTERNATIVE, ADEQUATE
PROTECTION [ECF NO. 673]**

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

To the Honorable United States District Court Judge Laura Taylor Swain:

The Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”), as fiscal agent for the Commonwealth of Puerto Rico (the “Commonwealth”) and the Puerto Rico Highways & Transportation Authority (“HTA”), submits this limited joinder to the Opposition filed by the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”) to the *Motion of Assured Guaranty Corp., Assured Guaranty Municipal Corp., Ambac Assurance Corporation, National Public Finance Guarantee Corporation and Financial Guaranty Insurance Company For Relief From the Automatic Stay, Or, In The Alternative, Adequate Protection*, ECF No. 673² (the “HTA Lift Stay Motion”) [ECF No. 679] (the “HTA Opposition”).³ Solely to the extent set forth herein, AAFAF hereby joins in the Opposition and requests that the HTA Lift Stay Motion be denied for the reasons stated below:

1. AAFAF joins the Oversight Board’s arguments with respect to the Movants’ lack of entitlement to relief from the stay as against the Commonwealth or HTA; Movants’ lack of standing to seek stay relief against the Commonwealth; the limited scope of Movants’ security interest, if any; and Movants’ lack of any property right in HTA’s Toll Revenues or the Commonwealth’s HTA Allocable Revenues.

2. For these reasons alone, the Court should deny the HTA Lift Stay Motion.

RESERVATION OF RIGHTS

3. In the HTA Opposition, the Oversight Board argues that the HTA Lift Stay Motion should be denied, in part, because the HTA Allocable Revenue Statutes invoked by

² All ECF numbers refer to the docket in Case No. 17-3567 unless otherwise stated.

³ Capitalized terms not defined herein shall have meanings ascribed to them in the HTA Opposition.

Movants are preempted by PROMESA because those statutes are inconsistent with the appropriations the Oversight Board approved in the certified budget.⁴

4. Given the threshold reasons that exist to deny the relief sought in the HTA Lift Stay Motion, AAFAF believes the Court need not decide this preemption argument at this time, and thus requests that the Court not address it. AAFAF reiterates its reservation of all rights with respect to preemption under Titles I and II of PROMESA including, without limitation, with respect to the limits of the Oversight Board's budgeting power, and the enforceability of the Puerto Rico Emergency Moratorium and Financial Rehabilitation Act, Act No. 21–2016 and Executive Orders issued pursuant thereto.

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⁴ PROMESA has been codified in 48 U.S.C. §§ 2101–2241.

Dated: February 3, 2020
San Juan, Puerto Rico

Respectfully submitted,

/s/ John J. Rapisardi

John J. Rapisardi
Suzanne S. Uhland
(Admitted *Pro Hac Vice*)
O'MELVENY & MYERS LLP
7 Times Square
New York, New York 10036
Tel: (212) 326-2000
Fax: (212) 326-2061

-and-

Peter Friedman
(Admitted *Pro Hac Vice*)
1625 Eye Street, NW
Washington, D.C. 20006
Tel: (202) 383-5300
Fax: (202) 383-5414

-and-

Elizabeth L. McKeen
Ashley M. Pavel
(Admitted *Pro Hac Vice*)
610 Newport Center Drive, 17th Floor
Newport Beach, CA 92660
Tel: (949) 823-6900
Fax: (949) 823-6994

*Attorneys for the Puerto Rico Fiscal
Agency and Financial Advisory Authority*

/s/ Luis C. Marini-Biaggi

Luis C. Marini-Biaggi
USDC No. 222301
Email: lmarini@mpmlawpr.com

Carolina Velaz-Rivero
USDC No. 300913
E:mail: cvelaz@mpmlawpr.com

MARINI PIETRANTONI MUÑIZ LLC
250 Ponce de León Ave., Suite 900
San Juan, Puerto Rico 00918
Tel: (787) 705-2171
Fax: (787) 936-7494

*Co-attorneys for the Puerto Rico Fiscal
Agency and Financial Advisory Authority*